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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 17, 2014

David McMullin
C.S. Mining LLC.
P.O. Box 608
Milford, UT 84751

Subject: Conditional Approval to Begin Construction of the Intermediate Tailings Disposal Facility (ITDF), C.S. Mining LLC, Hidden Treasure Mine, M/001/0067, Beaver County, Utah

Dear Mr. McMullin:

On March 19, 2014, the Division tentatively approved the revised Notice of Intent to Commence Large Mining Operations (Notice) for your Hidden Treasure mine. The Division published a notice of tentative approval for public comment as required in UAC R647-4, and has received the required reclamation surety for the revised Notice, as well as the associated reclamation cost calculations and minor corrections to the reclamation plan.

The Division has commenced a review of the clean copies of the Notice provided on September 12, 2014, and has found that significant portions of the text of the clean copies have reverted to a previous version of the revised Notice that has not been subjected to a public comment period.

On September 15, 2014, your staff informed Peter Brinton that you are ready to begin work on the Intermediate Tailings Disposal Facility (ITDF), consistent with other recent communications with the Division.

Considering the Division's tentative approval of the revised Notice, the Division's receipt of the required reclamation surety and associated reclamation cost calculations, and your urgency to begin ground-disturbing operations in the ITDF area, the Division now approves the construction of the ITDF, as it is discussed in the tentatively-approved revision of the Notice, conditional upon the following:

- Two clean copies of the correct text of the revised Notice will be provided to the Division by October 1, 2014,



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David McMullin
M/001/0067
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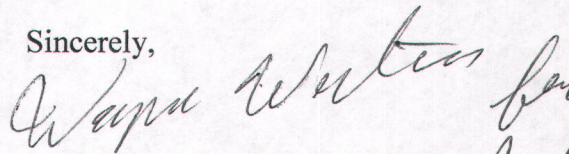
- You are not approved to begin the other proposed operations described in your revised Notice for which final approval has not already been given, and
- Until mitigation plans have also been approved, you are not approved to conduct surface-disturbing activities in those areas of the ITDF footprint in which cultural resources have been recommended as eligible for inclusion on the National Register of Historic Places.

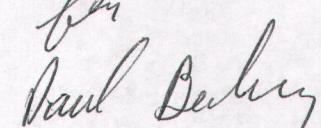
This approval of construction and operation of the ITDF does not relieve you from your responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

After the Division has received clean copies of the correct version of the revised Notice, the Division will return a copy of the approved and revised Notice with pages stamped. Please keep your plan current by submitting changes using Form MR-REV-att, located at www.ogm.utah.gov.

All future correspondence should reference M/001/0067. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,


Paul B. Baker
Minerals Program Manager



PBB: pnb: eb

cc: Leslie Buhler, C.S. Mining LLC (lbuhler@csmining.com)
Bob Bayer, consultant (bob@rjbayerpgeo.com)
Ed Ginouves, BLM-Cedar City (eginouve@blm.gov)

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